



Department of Justice

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**THREE CALIFORNIA COMPANIES AND TWO EXECUTIVES CHARGED WITH PRICE
FIXING ON ALUMINUM PARTS USED IN CONSTRUCTING AIRPLANES**

WASHINGTON D.C. -- Government antitrust prosecutors today charged three California companies and two executives with conspiring to fix the price of some small aluminum parts that are used as structural support in airplanes.

In five criminal cases, filed in U.S. District Court in Los Angeles, the Justice Department's Antitrust Division said that the conspiracy took place in 1991 when worldwide sales of these parts were approximately \$150 million. The companies involved in the conspiracy accounted for approximately 75 percent of those sales.

These aluminum parts, known as small press hard alloy aluminum extrusions, are made by using a hydraulic press to push a heated aluminum-based alloy through a die. The companies purchase aluminum extrusions from manufacturers, then store and resell those extrusions to customers such as the major airline manufacturers.

Named as defendants are:

- TD Materials Inc., Los Angeles, California;
- Pioneer Aluminum Inc., Los Angeles, California;

- Tiernay Metals, Redondo Beach, California;
- John P. Cassel, president of Pioneer Aluminum Inc.; and
- William A. Steinmetz, principal owner of Tiernay Metals.

The defendants were accused of conspiring to quote only list (book) price for the sale of small press hard alloy aluminum extrusions to customers in violation of the Sherman Act from at least January through September 1991.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges resulted from a grand jury investigation in Los Angeles into suspected price fixing by companies engaged in the sale of hard alloy aluminum extrusions to airline manufacturers, their subcontractors and other customers. The ongoing investigation is being conducted by the Antitrust Division's San Francisco Field Office with the assistance of the Central District of California United States Attorney's Office and the Federal Bureau of Investigation, Los Angeles Office.

The maximum penalty for a corporation convicted of a Sherman Act violation occurring after November 16, 1990, is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greater.

The maximum penalty for an individual convicted of a Sherman Act violation occurring after November 16, 1990, is three years in prison and a fine of \$350,000, twice the pecuniary gain

derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greater.

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